



Bill Owens  
Governor

Colorado Department of Local Affairs

Barbara Kirkmeyer  
Acting Executive Director

DIVISION OF PROPERTY TAXATION

JoAnn Groff  
Property Tax Administrator

## BULLETIN NO. 2

TO: County Assessors

FROM: JoAnn Groff  
Property Tax Administrator

DATE: January 11, 2006

---

**THE BULLETIN IS AVAILABLE ON OUR WEBSITE.**  
[www.dola.state.co.us/propertytax/index.htm](http://www.dola.state.co.us/propertytax/index.htm)

<u>Date</u>	<u>Title</u>	<u>Distribution</u>
1/11/06	2006 Personal Property Forum	Review with Personal Property Appraisers. Respond if interested in attending the forum. File in General Correspondence File.
1/11/06	Administration 100 - Introduction to Assessment	Review with interested personnel. Return registration form to Division. File in Education File.
1/11/06	Administration 933 - Basic Title Conveyance	Review with interested personnel. Return registration form to Division. File in Education File.
1/11/06	Administration 930-Advanced Title Conveyance	Review with interested personnel. Return registration form to Division. File in Education File.
1/11/06	2005 Vacant/Subdivision Land Questionnaire	Circulate to Land Appraisal Staff. File in ARL Volume 3, Section IV.



1/11/06

Appraisal 606-National USPAP Update  
Course - **CANCELLATION**

Review with interested  
personnel. Return  
Registration form to  
Division. File in Education  
File.



Bill Owens  
Governor

**Colorado Department of Local Affairs**

Barbara Kirkmeyer  
Acting Executive Director

**DIVISION OF PROPERTY TAXATION**

JoAnn Groff  
Property Tax Administrator

**TO:** All County Assessors, Staff, and Vendors  
**FROM:** JoAnn Groff  
Property Tax Administrator  
**SUBJECT:** 2006 Personal Property Forum  
**DATE:** January 11, 2006  
**DISTRIBUTION:** Review with Personal Property Appraisers  
Respond if interested in attending the forum  
File in General Correspondence file

---

**MEMORANDUM**

The Division of Property Taxation will be hosting an open personal property forum for county representatives and vendors to discuss personal property assessment issues. All county assessors, staff, and vendors are invited to attend.

If you are interested, please note the following specific forum information:

**DATE:** Wednesday, February 1, 2006  
**TIME:** 12:30 – 4:30 P.M.  
**LOCATION:** Arapahoe CentrePoint Plaza  
14980 East Alameda Drive, Littleton C Room  
Aurora, CO 80012

You may use the following link for specific facility location information:

[http://www.dola.state.co.us/PropertyTax/Education/Maps/arapahoe\\_centrepointplaza.htm](http://www.dola.state.co.us/PropertyTax/Education/Maps/arapahoe_centrepointplaza.htm)

If you or your staff is interested in participating in the forum either in person or via the voice conferencing option, please contact Kenneth Beazer at (303) 866-2790 or via email ([ken.beazer@state.co.us](mailto:ken.beazer@state.co.us)) to discuss the details.

Please review the attached list of Forum discussion topics. If you have additional topics and/or ideas submit them to Kenneth Beazer via email ([ken.beazer@state.co.us](mailto:ken.beazer@state.co.us)) or fax (303-866-4000) by no later than 5:00 P.M. on Monday, January 30.

If you have any questions, please contact Kenneth Beazer or Rebecca Fisk.



## **PERSONAL PROPERTY FORUM DISCUSSION TOPICS**

### **FEBRUARY 1, 2006**

**1. Market-Based Database:**

- \* Status and update.

**2. Alternate Sources for Inflation (RCN and LOV Factors) Report:**

- \* Status and update.

**3. Personal Property Forms Sharing on CAA Website (<http://www.e-caa.com>):**

- \* Status and update.

**4. Consumable Personal Property Exemption (ARL 5, Pages 7.11 and 7.12):**

- \* Open discussion on EchoStar v. Arapahoe CBOE (Docket #: 44034) order and appeal status.
- \* Is additional “system” v. “stand-alone personal property” clarifying language needed?
- \* Is there a need for “sets” v. “component parts” clarifying language to be added and defined?
- \* Do we need more examples of each?
- \* Should location and/or ownership be developed and incorporated as a part of the consumable criteria?

**5. Copiers (Industry Category Number 13):**

- \* Analog (Use “Copier” Percent Good Table, p. 4.15, 6-year life, 20% good residual).
- \* Digital (Use “Other Computer Equipment Including Computer Peripherals” Percent Good Table, p. 4.14, 4-year life, 7 % good residual).
- \* Is there a need to clarify the policy in Chapters 4 and 7 of ARL 5?
- \* Should all copiers shift to the “Other Computer Equipment Including Computer Peripherals” Percent Good Table?

**6. Cable Television:**

- \* Should research be conducted to determine what the appropriate economic life is for cable television test equipment (currently in ARL 5, on p. 4.8 with a 8-year life)?

**7. Telecommunication Transmission/Receiving Personal Property:**

- \* On a 4-year life, using General Percent Good Tables, and a 15% good residual.
- \* Should fax machines and like personal property be included as a part of the “Other Computers and Stand-Alone Computer Peripherals” category and have a 7% good residual?

**8. Special Tools (ARL 5, Page 4.10):**

- \* Should we add examples (jigs, molds, dyes, headers, etc.) for special tools and have only one economic life (either 3 or 4 years) apply for all special tools?

**9. Storage Tanks (ARL 5, pages 4.8 and 4.9):**

- \* Is there still a need for clarifying language and/or examples?

**10. Inventories of Merchandise, Material and Supplies: 39-1-102(7.2) and 39-3-119, C.R.S.:**

- \* In ARL 5, on page 2.23 and 2.24, does additional clarifying language need to be added to discern incidental and/or available rentals v. primary use.

**11. Internet Wireless Service Provider Personal Property (including data centers):**

- \* What economic lives do counties use for this type of property?
- \* Should there be specific research performed to create economic life recommendations for this type of property?

**12. Intangibles:**

- \* Software.
- \* Warranties and extended warranties.
- \* Training included in costs declared.
- \* What are common intangibles that should be deducted from personal property?
- \* What warrants reasonable proof of deductible intangibles?
- \* Do we need research and additional policy language concerning this category?

**13. Antiques:**

- \* Do we need to add policy language related to antique valuation?

**14. Leasehold Improvements:**

- \* How do counties pick these up and value them consistently?
- \* Do we need additional research and policy language on this topic?

**15. Book Value v. Apportioned Value v. Market Value:**

- \* Definitions and differences.

**16. Virtual Businesses:**

- \* Broomfield: Executive Suites.

**17. Skid-mounted Buildings:**

- \* Classification and Valuation.

**18. Formal Technical Group:**

- \* Should we work on developing a formal personal property technical group and/or keep the informal system (as is)?

**19. Personal Property Penalties:**

- \* Does 39-5-116(2)(a), C.R.S., "Failure to file schedule" penalty apply to taxpayers that overstate their property values (fraud)?

**20. Other Discussion Topics:**

- \* Open floor to topics.



Bill Owens  
Governor

**Colorado Department of Local Affairs**

Barbara Kirkmeyer  
Acting Executive Director

**DIVISION OF PROPERTY TAXATION**

JoAnn Groff  
Property Tax Administrator

TO: All County Assessors

FROM: JoAnn Groff  
Property Tax Administrator

SUBJECT: Administration 100 – Introduction to Assessment

DATE: January 11, 2006

DISTRIBUTION: Review with interested personnel.  
Return registration form to Division.  
File in Education File

***Introduction to Assessment***  
***(Admin 100)***

**Five-day Course**

**Education Credit:** 32 hours **(continuing education only)**

**Tested:** Yes

**Recommended Prerequisite:** This course is the recommended prerequisite for all five-day courses.

**Cost per student:** \$25.00 *(Please make checks payable to: Colorado Assessors Association)*

Colorado History and Law  
Local Government Finance in Colorado  
The Assessment Function and Calendar  
Geometric Shapes  
Real Property Descriptions  
Assessment Maps & Parcel Numbering  
Real Property Appraisal  
Mass Appraisal and Statistics  
Personal Property Appraisal  
Assessment Math  
Real Property Title Conveyances  
Communication and Public Relations



Class times are 8:30am to 4:30pm

2006					
1/9-13/06	Broomfield	Municipal Bldg Bal Swan Bsmt	303-464-5819	1 DesCombs Dr.	Greg & Denise
1/23- 27/06	Grand Jct	State Svcs Bldg	970-248-7318	222 S. 6 <sup>th</sup> Rm 101	Frank & John
1/23- 27/06	Douglas	Douglas Cty. Courthouse	303-660-7400 ext 4500	301 Wilcox	Renee & Janeen
2/27- 3/3/06	Alamosa	Alamosa Cty Svcs Ctr	719-589-4848	8900 Independence Way	
October	Jefferson				



COLORADO ASSESSORS' ASSOCIATION  
 DPT EDUCATION REGISTRATION FORM  
 1313 Sherman Street, Room 419  
 Denver, Colorado 80203  
 (303) 866-2371 Telephone  
 (303) 866-4000 Fax

County Name

- ☐ Assessor's Staff
- ☐ Commissioner's Staff
- ☐ Treasurer's Staff
- ☐ Clerk & Recorder's Staff
- ☐ Other

*Please submit one registration form for each course title.*

<b>Course Title</b>	
<b>Location</b>	
<b>Course Date</b>	

<b>County Contact Person</b>		
<b>Work Phone Number</b> (Include Area Code & Extension)		<b>E-mail:</b>

NAME	E-MAIL	SOCIAL SECURITY NUMBER (First-time Students ONLY)	COLORADO APPRAISAL LICENSE NUMBER

For **appraisal** classes e-mail [rebecca.fisk@state.co.us](mailto:rebecca.fisk@state.co.us)  
 For **administrative** classes e-mail [evelyn.morales@state.co.us](mailto:evelyn.morales@state.co.us)





Bill Owens  
Governor

**Colorado Department of Local Affairs**

Barbara Kirkmeyer  
Acting Executive Director

**DIVISION OF PROPERTY TAXATION**

JoAnn Groff  
Property Tax Administrator

TO: All County Assessors

FROM: JoAnn Groff  
Property Tax Administrator

SUBJECT: Administration 933-Basic Title Conveyance

DATE: January 11, 2006

DISTRIBUTION: Review with interested personnel.  
Return registration form to Division.  
File in Education File.

## ***Basic Title Conveyance (Admin 933)***

One-day course  
Education Credit: 7 Hours (**continuing education only**)  
Tested: No  
Recommended Prerequisite: Introduction to Assessment (Admin 100)  
Cost per student: \$5.00

- ⇒ Basic title transfer issues
- ⇒ Elements of a deed
- ⇒ The bundle of rights
- ⇒ Types of ownership
- ⇒ Types of conveyance documents
- ⇒ Decedents estates
- ⇒ Assessor's role in keeping ownership records
- ⇒ Assessor's transfer process

Class times are 8:30am to 4:30pm

2006					
TBA	Aurora	Postponed			
6/8/06	Eagle	Eagle Cty Building	970-328-8700	500 Broadway	Frank





COLORADO ASSESSORS' ASSOCIATION  
 DPT EDUCATION REGISTRATION FORM  
 1313 Sherman Street, Room 419  
 Denver, Colorado 80203  
 (303) 866-2371 Telephone  
 (303) 866-4000 Fax

County Name

- ☐ Assessor's Staff
- ☐ Commissioner's Staff
- ☐ Treasurer's Staff
- ☐ Clerk & Recorder's Staff
- ☐ Other

*Please submit one registration form for each course title.*

<b>Course Title</b>	
<b>Location</b>	
<b>Course Date</b>	

<b>County Contact Person</b>		
<b>Work Phone Number</b> (Include Area Code & Extension)		<b>E-mail:</b>

NAME	E-MAIL	SOCIAL SECURITY NUMBER (First-time Students ONLY)	COLORADO APPRAISAL LICENSE NUMBER

For **appraisal** classes e-mail [rebecca.fisk@state.co.us](mailto:rebecca.fisk@state.co.us)  
 For **administrative** classes e-mail [evelyn.morales@state.co.us](mailto:evelyn.morales@state.co.us)



Bill Owens  
Governor

**Colorado Department of Local Affairs**

Barbara Kirkmeyer  
Acting Executive Director

**DIVISION OF PROPERTY TAXATION**

JoAnn Groff  
Property Tax Administrator

TO: All County Assessors

FROM: JoAnn Groff  
Property Tax Administrator

SUBJECT: Administration 930 Advanced Title Conveyance

DATE: January 11, 2006

DISTRIBUTION: Review with interested personnel.  
Return registration form to Division.  
File in Education File.

## ***Advanced Title Conveyance (Admin 930)***

### **One-day Workshop**

**Education Credit:** 7 hours (**continuing education only**)

**Tested:** No

**Recommended Prerequisites:** Basic Title Conveyance (Admin 933)

**Cost per student:** \$25.00 (*Please make checks payable to: Colorado Assessors Association*)

- ⇒ Concepts Concerning Real Property
- ⇒ Bankruptcy Proceedings
- ⇒ Partnerships, Limited Liability Companies, and Corporations
- ⇒ Transfer of Title by Government Action and Judicial Proceedings
- ⇒ Estates and Trusts
- ⇒ Severed Mineral Estates and Mining Claims

Class times are 8:30am to 4:30pm

2006					
TBA	Aurora	Postponed			





COLORADO ASSESSORS' ASSOCIATION  
 DPT EDUCATION REGISTRATION FORM  
 1313 Sherman Street, Room 419  
 Denver, Colorado 80203  
 (303) 866-2371 Telephone  
 (303) 866-4000 Fax

County Name

- ☐ Assessor's Staff
- ☐ Commissioner's Staff
- ☐ Treasurer's Staff
- ☐ Clerk & Recorder's Staff
- ☐ Other

*Please submit one registration form for each course title.*

<b>Course Title</b>	
<b>Location</b>	
<b>Course Date</b>	

<b>County Contact Person</b>		
<b>Work Phone Number</b> (Include Area Code & Extension)		<b>E-mail:</b>

NAME	E-MAIL	SOCIAL SECURITY NUMBER (First-time Students ONLY)	COLORADO APPRAISAL LICENSE NUMBER

For **appraisal** classes e-mail [rebecca.fisk@state.co.us](mailto:rebecca.fisk@state.co.us)  
 For **administrative** classes e-mail [evelyn.morales@state.co.us](mailto:evelyn.morales@state.co.us)



Bill Owens  
Governor

**Colorado Department of Local Affairs**

Barbara Kirkmeyer  
Acting Executive Director

**DIVISION OF PROPERTY TAXATION**

JoAnn Groff  
Property Tax Administrator

TO: All County Assessors

FROM: JoAnn Groff  
Property Tax Administrator

SUBJECT: 2006 Vacant/Subdivision Land Questionnaire

DATE: January 11, 2006

DISTRIBUTION: Circulate to Land Appraisal Staff.  
File in ARL Volume 3, Section IV.

---

**MEMORANDUM**

The following attachments are to be used for the valuation of vacant land for the 2006 assessment year.

**ADDENDUM IV- A - VACANT/SUBDIVISION LAND QUESTIONNAIRE FOR  
2006**

On December 15, 2005, the Statutory Advisory Committee (SAC) to the Property Tax Administrator recommended the attached vacant/subdivision land questionnaire for approval and use in 2006. The State Board of Equalization (SBOE) has thirty days to review SAC recommendations. If the SBOE's review results in changes, you will be so advised in a separate memorandum.

If you have any questions, please contact the Division at 303-866-2371.



**ADDENDUM 4-A, VACANT / SUBDIVISION LAND QUESTIONNAIRE****Required by 39-1-103(14)(d) and (e), C.R.S.**

This questionnaire provides you with an easy method to submit information to the county assessor concerning **VACANT LOTS** within your development. The questionnaire is in two parts, **Part I** requests information on lots sold; **Part II** requests a breakdown of lots by stage of development. Information listed should be by approved plat (filing). **DUPLICATE THIS QUESTIONNAIRE FOR EACH APPROVED PLAT (FILING).** Information requested may be submitted in a format adapted to your inventory system in lieu of this questionnaire. Please refer to the instructions on the back of the form. **All information provided by the developer shall be kept confidential by the assessor.**

**QUESTIONNAIRES MUST BE RETURNED TO ASSESSOR BY MARCH 20, 2006****APPROVED PLAT:** \_\_\_\_\_**TOTAL NUMBER OF LOTS IN THIS APPROVED PLAT:** \_\_\_\_\_**PART I      VACANT LOT SALES WITHIN THE APPROVED PLAT:****Total number of lots sold from July 1, 2003 thru December 31, 2003:** \_\_\_\_\_ \***Total number of lots sold from January 1, 2004 thru June 30, 2004:** \_\_\_\_\_ \***Total number of lots sold from July 1, 2004 thru December 31, 2004:** \_\_\_\_\_ \***Total number of lots sold from January 1, 2005 thru June 30, 2005:** \_\_\_\_\_ \*

\* Please indicate the number of lots acquired from or sold to another developer, builder or governmental entity.

**Price range of vacant lots on June 30, 2004 with 100% of infrastructure completed:****\$ \_\_\_\_\_ to \$ \_\_\_\_\_. Range is for ( ) multiple ( ) single lot purchase.****Indicate influences which strongly affect value:****(+) = positive factor (-) = negative factor ( ) = unknown****( ) Site size****( ) Schools****( ) Recreation****( ) Shopping****( ) Covenants****( ) Employment****( ) Medical****( ) Price Range****( ) Environment****( ) Common area****( ) Other \_\_\_\_\_****PART II      LOT STATUS WITHIN THE APPROVED PLAT:****Total number of lots with structures on June 30, 2004:** ( )**Total number of lots remaining vacant on June 30, 2004:** ( )**Vacant lot breakdown of infrastructure as of January 1, 2006:****(Use worksheet on reverse side for determining numbers)****100% ( )      75% ( )      50% ( )      25% ( )      0% ( )****Person completing questionnaire:** \_\_\_\_\_  
**(please print name)****Signature:** \_\_\_\_\_**Date Completed:** \_\_\_\_\_ **Phone:** \_\_\_\_\_

### **GUIDELINES FOR COMPLETING PART II**

Use the worksheet below for determining percentage of infrastructure completed on vacant lots as of January 1, 2006.

Transfer the total number of lots within each percentage group to PART II, on the reverse page of this questionnaire. The term "lot" as used in this questionnaire and worksheet also means site, tract, or parcel.

Information is requested for all vacant land.

<b><u>INFRASTRUCTURE WORKSHEET</u></b>			
<b><u>FOR</u></b>			
<b><u>VACANT LOTS WITHIN AN APPROVED PLAT</u></b>			
<b>STAGE OF COMPLETION</b>	<b>PERCENTAGES SPECIFIC</b>	<b>CUMULATIVE</b>	<b>NUMBER OF LOTS</b>
<b>No infrastructure</b>	<b>0%</b>	<b>0%</b>	(     )
<b>Professional Services*</b>	<b>10%</b>		
<b>Clearing/Grading</b>	<b>15%</b>	<b>25%</b>	(     )
<b>Domestic Water/Sewer &amp; Storm Sewer</b>	<b>25%</b>	<b>50%</b>	(     )
<b>Paving/Curbs/Gutters</b>	<b>25%</b>	<b>75%</b>	(     )
<b>Utilities</b>	<b>15%</b>		
<b>Landscaping/Amenities</b>	<b>5%</b>		
<b>Warranties*</b>	<b>5%</b>	<b>100%</b>	(     )
<b>Total number of vacant lots in approved plat:</b>			(     )
<p><b>NOTE:</b> If the percentages for infrastructure vary significantly from the list, please indicate the correct percentage in the space to the right of each specific percentage. Cumulative percentages advance after completion of all items within a stage.</p>			
<p><b>* Indirect costs of development, not deductible under any circumstances.</b></p>			

### **ADDENDUM 4-B, 2005-2006 DISCOUNT RATE CALCULATION**

The safe rate, management rate, and risk rate range components of the discount rate are provided by the Division for statewide use. Considerations for illiquidity are accounted for in the safe and risk rates. Any differences in the rates should be completely documented.

Safe rate component	.0462	or 4.62%
Management rate component	.0200	or 2.00%
Risk rate range component	<u>.0280</u> to <u>.0475</u>	or <u>2.80</u> to <u>4.75%</u>

The composite discount rate for 2005-2006is	.0942 (9.42%) to .1137 (11.37%)
--	---------------------------------

Rounded to	9.50% to 11.50%
------------	-----------------

Final composite discount rates may be rounded to the nearest one-half percent to facilitate use of the compound interest tables.

**Safe rate:** The safe rate is considered to be the US 10-year Treasury Bill rate. The rate is typically considered to be without risk. The rate for the US 10-year Treasury Bill, as listed in the Federal Reserve website ([www.federalreserve.gov](http://www.federalreserve.gov)) for the appraisal date 6/30/04 is 4.62 percent. This component of the discount rate is provided for statewide use.

**Management rate:** The management rate is for the management of the money, not of the property. Usually, this rate is from 1 to 3 percent depending on the size and complexity of the investment. This rate, once established for a development area, does not normally change. The recommended management rate for statewide use is 2 percent.

**Risk rate:** The annual rate of return on capital, which is commensurate with the risk assumed by the investor. If appropriate, the risk rate is determined on an individual basis depending on each approved plat. Risk depends upon several factors.

1. Size of the development
2. Desirability or need for the development
3. Financial stability of the developer
4. Location
5. Price range of tracts, parcels, lots, or sites
6. Utilities available
7. Access to the development
8. Soil conditions

However the risk rate should not exceed the Division's recommended published range of 2.8 to 4.75 percent without verified documentation.



**Considerations for Illiquidity:** The consideration for illiquidity accounts for the invested dollar not being available for other investment uses within a short period of time. The consideration is recognized in the safe and risk components of the discount rate.

Some assessors may have better information available in their counties to determine a discount rate outside of the Division's published range. If that discounted rate is supportable and documented, it **IS** appropriate to use county or subdivision specific discount rates.



Bill Owens  
Governor

**Colorado Department of Local Affairs**

Barbara Kirkmeyer, Acting Executive  
Director

**DIVISION OF PROPERTY TAXATION**

JoAnn Groff  
Property Tax Administrator

TO: All County Assessors

FROM: JoAnn Groff  
Property Tax Administrator

SUBJECT: Appraisal 607 – National USPAP Update Course  
**CANCELLATION**

DATE: January 11, 2006

DISTRIBUTION: Review with interested personnel.  
Return registration form to Division.  
File in Education File.

**National USPAP Update Course**  
(APR 607)

**One-day Course**

**Education Credit:** 7 Credit Hours (Continuing Education)

**Tested:** Not for 2006

**Recommended Prerequisite:** Licensed Appraisers

**Cost Per Student:** \$57.00 (includes the cost of the current USPAP manual and 7-hour student manual). **All student registrations and fees must be received by the Division by January 6, 2006, to meet ordering and shipping deadlines.**

*(Please make checks payable to: Colorado Assessors' Association.)*

**TOPICS:**

- Focuses on changes to the 2005 edition of USPAP.
- USPAP will be applied to everyday appraiser practice.
- Aids appraisers seeking competency in the Uniform Standards of Professional Appraisal Practice (USPAP).

Class time is 8:30 a.m. to 4:30 p.m.

2006					
February 9 <b>CANCELLED</b>	La Junta				

